OCA consumer register

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Decorated drinking glasses

The **Food and Drug Administration** (FDA), **Consumer Product Safety Commission** (CPSC) and **Environmental Protection Agency** (EPA) have established voluntary standards to control toxic lead and cadmium metals leaching from the rims of decorated drinking glasses.

The standard says that lead leached from cartoons, drawings or other decorations on the rims of glasses cannot exceed 50 parts per million (ppm) and that cadmium leached from these decorations cannot exceed 3.5 ppm. Lab tests on 9 types of decorated glasses found that certain ones released unacceptably high level of the 2 metals.

Lead can cause impairment of the nervous system and brain damage. Cadmium may cause kidney damage and emphysema and is suspected of causing cancer.

Decorated glassware falls under the jurisdiction of FDA, CPSC and EPA because of the different laws regulating potential hazards. FDA regulates glasses because they are food containers; CPSC regulates consumer products; and EPA has authority over toxic environmental contaminants, such as lead and cadmium. The 3-agency task force was formed in July 1977, after the **Massachusetts Department of Health** raised the possibility of lead leaching from promotional glasses distributed by fast food chains.

The new standard is voluntary, acceptable to the agencies and the industry, and should be in effect by mid-March.

Consumers interested in obtaining a copy of the task force report may write to the Bureau of Foods (HFF–342), Food and Drug Administration, 200 C St., SW, Washington, DC 20204.

Details—*Federal Register:* Dec. 15, 1978, page 58633. CONSUMER NEWS: Mar. 1, 1978. For further information write or telephone Gary Dykstra (HFC–13) Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857; telephone 301-443-3470.

Vocational schools

The **Federal Trade Commission** (FTC) has issued a final rule requiring privately owned vocational and home study schools to provide prorated refunds to students who withdraw from their courses; to provide information to prospective students concerning the school's graduation and placement records; and to extend the cooling-off period on enrollment contracts to 14 days. The rule, which becomes effective Jan. 1, 1980, would affect the operation of an estimated 7,000 to 8,000 schools enrolling over 2 million students a year.

FTC's records show that many vocational schools make a variety of false and misleading claims in their efforts to attract students. Advertising and sales presentations create false impressions about jobs and earnings and the availability of Guaranteed Student Loans and veterans' benefits has been a boon to vocational school salespeople, since it reduces a consumer's resistance to spending his or her own money for training.

Reluctant, unmotivated and unqualified students who would otherwise be unlikely sales prospects are occasionally induced to enroll by the promise of long-term loans or outright grants from the Federal Government. While 23% of government education loans go to vocational schools, the same schools account for 56% of the defaults. In 1976, the Federal Government paid out nearly $83 million in loan guarantees for vocational education, and FTC Chairman Michael Pertschuk said that "the evidence in our proceeding indicates that many defaults are attributable to fraud and deception by vocational schools." The industry will challenge FTC's ruling in the Federal courts.

The new provisions specify:

- The school must give the prospective student a completed copy of the enrollment contract at the time the contract is signed or upon receipt of a contract completed entirely by mail. The contract must be written in the same language as the oral sales presentation, if any, and must contain the school's name and address.
- Each student must be given an explanation of the cooling off rights in a notice entitled "CANCELLING THIS CONTRACT." On the contract's front page the school must place either the cancellation rules or the following notice: "An explanation of your cancellation and refund rights is on page ___ of this contract." This notice must be printed in bold type.
- After accepting an enrollment contract, the school must mail the prospective student disclosure of the school's graduation and placement rate if applicable. In the same envelope on a separate sheet of paper a "HOW TO CANCEL THIS CONTRACT" notice must be enclosed.
- If a student cancels during the period described in the required notices, the school must refund all payments made and cancel and return any evidence of indebtedness within 14 days after receiving the cancellation notice.
- Any equipment provided to a correspondence school student during the cooling-off period may be kept by the student without charge if he or she cancels during the cooling-off period.
- If a school makes any job or earnings claims for any course in a media advertisement, the school must include the following disclaimer in its advertisement: "Graduation from this course does not insure that you will get a job. To find out how our graduates have done, send for our job placement record."

Details—*Federal Register:* Dec. 28, 1978, page 60796. For further information write or call Walter Gross, Federal Trade Commission, PM-H-221, 6th St. and Pennsylvania Ave. NW, Washington, DC 20580; telephone 202-523-3911.

Therapeutically equivalent drugs

April 12 is deadline for comments on **Food and Drug Administration's** (FDA) proposal to make available a list of all FDA-approved prescription drug products (over-the-counter drugs are not included) which would include therapeutic evaluations of listed products that are available from more than one manufacturer. This list would enable pharmacists to check to see if any other manufacturers make a drug that is therapeutically equivalent to a drug a doctor has prescribed for a patient. If such a drug is available under a different brand name—or a generic name—and at a lower price, then the pharmacist could substitute the drug for the one the doctor prescribed—unless the doctor feels the particular drug he or she prescribes is medically necessary. Purpose of the list is to save consumers money without sacrificing quality and safety.

For a copy of the proposed list write or call Margaret Lawrence, Consumer Inquiries Staff (HFJ-10), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857; telephone 301-443-3170. (FDA points out that in its present form the list will not be useful to the average consumer.)

Details—*Federal Register:* Jan. 12, page 2932. Send comments to Hearing Clerk (HFA-305), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857. For more information write or call Herbert Gerstenzang at above address; telephone 301-443-3650.

NOTE: Even though space limitations prevent us from doing justice to FDA's proposal, the discussion of the issues as presented in the *Federal Register* is an excellent source of information.

Used car sales

Feb. 13 is deadline for comments on the **Federal Trade Commission's** (FTC) staff report on proposed regulations covering the sale of used cars, pickup trucks, and vans. (Heavy duty pickups and vans, recreational vehicles, motorcycles, and private sales would not be covered.)

The rule as recommended in the staff report would require used car dealers to post a simply-worded statement on each car telling customers the results of a dealer-performed inspection of the car. Under the inspection requirement, dealers would examine each major mechanical and safety system of every used car they offer for sale. They would then indicate on a checklist disclosure form whether each system is "OK" or "Not OK." If any system is marked "Not OK," the dealer must disclose a rough estimate of the repair costs.

The staff also recommends that the disclosure form include a simply-worded statement disclosing warranty terms. A dealer would indicate in writing whether or not a warranty was offered. If no warranty is offered, the form would say that the car is sold "as is." The form would disclose the car's previous use (such as taxi, rental, police, private owner). Previous mileage would be listed as "right," "wrong but true mileage is ______," or "unknown." If a car had been declared a "total loss" by an insurance company because of flood or accident damage, this information would have to be disclosed.

According to the FTC report, "information (in the record) establishes the sale of defective used motor vehicles as a major consumer abuse. . . The defects are highly material, affecting the basic safety or utility of the most expensive item many consumers will ever buy." The report says that dealers generally learn the mechanical condition of the cars they obtain, but often do not pass that information on to potential customers.

FTC says the proposed regulations would protect and help consumers in a number of ways.

- The written disclosures would be legally binding. A buyer could sue a dealer in state court if the car does not conform to the disclosure form's description.

- Before the sale, disclosure forms will provide consumers with reliable information in a uniform format which will make comparison shopping easier.

- Most consumers want a car in good mechanical condition, but the average shopper lacking mechanical expertise tends to select cars on the basis of looks. If a car has a nice paint job or good upholstery, the buyer assumes the mechanical condition is just as good. Dealers know this and tend to put their major reconditioning efforts into the car's appearance. Under the proposed rule, a consumer would be able to tell whether a car was in good running order and dealers would be motivated to place more emphasis on mechanical work than exterior appearance.

- A consumer driving a newly purchased used car out of the dealer's lot would know exactly what had been repaired and what needed additional work. This would protect him or her from unnecessary or duplicated repairs by other garages.

- Increased disclosure of defects should help drive down the price of poor quality cars which are misrepresented today. By making quality explicit, the best used cars will stand out, making it more profitable for their owners to trade them in, since such cars should sell at a premium.

- Used car dealers would also benefit from the proposed rule. Because it would reduce the risk of buying used cars from dealers, consumers who might otherwise buy from private sellers may turn to dealers for their purchases. As a result, dealers' sales of used cars should rise.

Although there is not much time for comment, FTC wants to hear from as many consumers as possible. Previous comments have been mainly from the industry, and FTC would like to know what individuals or consumer groups think of the proposed regulations.

Details—*Federal Register:* Jan. 3, page 914. CONSUMER NEWS: Jan. 15, 1976. CONSUMER REGISTER: Feb. 1, 1976 and July 1, 1976. Send comments to Secretary, Federal Trade Commission, 6th and Pennsylvania Ave., NW, Washington, DC 20580. For more information write or call Bernard J. Phillips at above address; telephone 202-523-1642.

Alcoholic beverage ads

Mar. 23 is new deadline for comments on a **Bureau of Alcohol, Tobacco and Firearms** (ATF) notice of proposed guideline revisions for alcoholic beverage advertising.

ATF is extending the comment period due to the impact of advertising practices on the consumer and the fact that the regulations for advertising these products have remained basically unchanged since the repeal of Prohibition in the 1930's.

New guidelines would affect advertising of beer, wine, and liquor in the media and the marketplace. ATF is trying to insure that such advertising gives consumers basic product information while protecting them from ads that are false, misleading, disparaging, obscene, or indecent. At the same time ATF is also trying to eliminate unnecessary regulations.

Details—*Federal Register:* Jan. 12, page 2603. Nov. 21, 1978, page 54266. CONSUMER REGISTER: Dec. 15, 1978. Send comments to the Director, Bureau of Alcohol, Tobacco and Firearms, PO Box 385, Washington, DC 20044. (Attention: Chief, Regulation and Procedures Division.) For further information write or call Thomas Bussey, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226; telephone 202-566-7626.

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consumer comment

Federal agencies want to learn your views on proposals and other items published in the *Federal Register* and CONSUMER REGISTER. Agencies use these comments in their decision making.

These forms are provided for you to use, if you wish, in commenting on these items. For more lengthy comments, feel free to use a plain sheet of paper. Send comment forms to addresses listed in CONSUMER REGISTER summaries. CONSUMER NEWS is publishing these forms in cooperation with the **Food and Drug Administration** (FDA).

Name ______________________________ Date ____________

Street ______________________________

City ____________________ State ____________ ZIP ____________

Clip this form, fill in blanks, write your comments & mail to agency noted in CONSUMER REGISTER item.

This is my opinion on (title of item in CONSUMER REGISTER) ____________

by (name of agency) ______________________________

published in *Federal Register* on (date) ____________ on (page) ____________

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______________________________ *(over)*

Name ______________________________ Date ____________

Street ______________________________

City ____________________ State ____________ ZIP ____________

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This is my opinion on (title of item in CONSUMER REGISTER) ____________

by (name of agency) ______________________________

published in *Federal Register* on (date) ____________ on (page) ____________

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consumer comment

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